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IBO TECHNOLOGY COMPANY LIMITED

艾伯科技股份有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2708)

**DISCLOSEABLE TRANSACTION IN RELATION TO
THE ACQUISITION OF 51.7321% OF THE ISSUED SHARE CAPITAL OF
THE TARGET COMPANY
INVOLVING ISSUE OF CONSIDERATION SHARES
UNDER GENERAL MANDATE**

THE ACQUISITIONS

The Board is pleased to announce that on 13 September 2018 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company:

- (1) entered into the First Sale and Purchase Agreement with Vendor I, the Target Company, Weitu Group and Mr. Ke, pursuant to which Vendor I has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Sale Shares I, representing 47% of the issued share capital of the Target Company, at the Consideration I of RMB75,200,000 (equivalent to approximately HK\$86,171,680), which shall be settled by (i) RMB27,520,000 in cash; and (ii) the allotment and issuance of up to 27,318,773 Consideration Shares under the General Mandate at the Issue Price of HK\$2.0 by the Company to the Vendor I; and
- (2) entered into the Second Sale and Purchase Agreement with Vendor II, the Target Company, Weitu Group and Mr. Qu, pursuant to which Vendor II has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Sale Shares II, representing 4.7321% of the issued share capital of the Target Company, at the Consideration II of RMB7,571,360 (equivalent to approximately HK\$8,676,021), which shall be settled by cash in full.

Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Consideration Shares.

Upon Completion I and Completion II, which shall take place simultaneously, the Target Company will become an indirect non-wholly owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the Company's consolidated financial statements.

LISTING RULES IMPLICATIONS

As the relevant applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisitions are more than 5% but less than 25%, the Acquisitions in aggregate constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and are therefore subject to the reporting and announcement requirements under the Listing Rules.

As Completions are conditional upon fulfilment (or, if applicable, waiver) of the conditions precedent set out in the Agreements, the Acquisitions may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

THE ACQUISITIONS

The Board is pleased to announce that on 13 September 2018 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company:

- (1) entered into the First Sale and Purchase Agreement with Vendor I, the Target Company, Weitu Group and Mr. Ke, pursuant to which Vendor I has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Sale Shares I, representing 47% of the issued share capital of the Target Company, at the Consideration I of RMB75,200,000 (equivalent to approximately HK\$86,171,680), which shall be settled by (i) RMB27,520,000 in cash; and (ii) the allotment and issuance of up to 27,318,773 Consideration Shares under the General Mandate at the Issue Price of HK\$2.0 by the Company to the Vendor I; and
- (2) entered into the Second Sale and Purchase Agreement with Vendor II, the Target Company, Weitu Group and Mr. Qu, pursuant to which Vendor II has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Sale Shares II, representing 4.7321% of the issued share capital of the Target Company, at the Consideration II of RMB7,571,360 (equivalent to approximately HK\$8,676,021), which shall be settled by cash in full.

The principal terms of the Agreements are set out below:

The First Sale and Purchase Agreement

Date: 13 September 2018 (after trading hours)

Parties: (i) the Purchaser;
(ii) Vendor I;

- (iii) the Target Company;
- (iv) Weitu Technology;
- (v) Yunwei Network;
- (vi) Hunan Yingding;
- (vii) Fangyu Yunwei; and
- (viii) Mr. Ke

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, Vendor I, the Target Company, Weitu Technology, Yunwei Network, Hunan Yingding, Fangyu Yunwei, Mr. Ke and their respective ultimate beneficial owners (if applicable) are third parties independent of the Company and their respective connected persons.

Assets to be acquired

Pursuant to the First Sale and Purchase Agreement, Vendor I has conditionally agreed to sell to the Purchaser, and the Purchaser has conditionally agreed to acquire from Vendor I, the Sale Shares I, free from any encumbrances and together with all rights attached thereto on or after the Completion Date I, including but not limited to the dividends announced, made or paid on or after the Completion Date I.

The Target Group is undergoing Reorganisation to facilitate the Acquisitions. Completion of the Reorganisation is one of the conditions precedent to each of the Acquisitions. Upon completion of the Reorganisation, the Target Group will be owned as to 95.2679% by Vendor I and 4.7321% by Vendor II.

Consideration

The Consideration I is RMB75,200,000 (equivalent to approximately HK\$86,171,680), which shall be paid and settled in the following manner:

- (a) within five (5) Business Days after signing of the First Sale and Purchase Agreement, the Purchaser shall pay a refundable deposit of RMB10,000,000 (equivalent to approximately HK\$11,459,000) (“**Deposit I**”) to Vendor I, which will become part of the Consideration I upon Completion I;
- (b) the remaining cash consideration of RMB17,520,000 (equivalent to approximately HK\$20,076,168) shall be paid within five (5) Business Days upon Completion I; and
- (c) the remaining Consideration I (to be settled by allotment and issuance of the Consideration Shares) shall be calculated and paid according to the adjustment mechanism as set out in the section headed “Consideration I adjustment mechanism” below.

If Completion I fails to take place or the First Sale and Purchase Agreement is terminated for any reason, Deposit I shall be returned to the Purchaser in full.

The Consideration I has been arrived at after arm's length negotiations between the Purchaser and Vendor I on normal commercial terms after taking into account, among other things, (i) the potential business prospects of the Target Group; (ii) the valuation in the draft valuation report of the entire equity interests of the Target Group of RMB169,699,774 based on market approach as at 31 July 2018 prepared by an independent valuer; (iii) the profit guarantee as set out in the section headed "Profit guarantee" below; and (iv) the adjustment mechanism of Consideration I as set out in the section headed "Consideration I adjustment mechanism" below.

The cash consideration will be financed by internal resources of the Group.

The Directors consider that Consideration I is on normal commercial terms, fair and reasonable and on the interests of the Company and its Shareholders as a whole.

Profit guarantee

Vendor I, the Target Company and the Guarantor represent, guarantee, undertake the following profit guarantee:

<i>Guaranteed period</i>	<i>Guaranteed profit</i>
For the year ending 31 March 2019 (the " First Financial Year ")	Not less than RMB10,000,000 (the " First Year Guaranteed Profit ")
For the year ending 31 March 2020 (the " Second Financial Year ")	Not less than RMB20,000,000 (the " Second Year Guaranteed Profit ")
For the year ending 31 March 2021 (the " Third Financial Year ")	Not less than RMB25,000,000 (the " Third Year Guaranteed Profit ")

Consideration I adjustment mechanism

In the First Financial Year:

- (a) If the net profit set out in the audited accounts of the Target Group in the First Financial Year (the "**First Year Actual Profit**") is not less than the First Year Guaranteed Profit, the Purchaser shall procure the Company to allot and issue the Consideration Shares to Vendor I, the number of which shall be calculated according to the following formula:

$$S1 = \frac{(V \times 47\% - CC) \times 0.4 \times E}{SP}$$

where

S1 means the number of Consideration Shares to be issued by the Company in respect of the First Year Guaranteed Profit

V means the valuation of the Target Group of RMB160,000,000 (the “**Valuation**”)

CC means the cash consideration of RMB27,520,000 (the “**Cash Consideration**”)

E means the exchange rate for the conversion of RMB1 into HK\$1.1459 issued by the People’s Bank of China on the date of the signing of the First Sale and Purchase Agreement (the “**Exchange Rate**”)

SP means the Issue Price

- (b) If the First Year Actual Profit is less than the First Year Guaranteed Profit, the Purchaser shall procure the Company to allot and issue the Consideration Shares to Vendor I, the number of which shall be calculated according to the following formula:

$$S1 = \frac{(V \times 47\% - CC) \times 0.4 \times E}{SP} \times \frac{AP1}{GP1}$$

where

S1 means the number of Consideration Shares to be issued by the Company in respect of the First Year Guaranteed Profit

V means the Valuation

CC means the Cash Consideration

E means the Exchange Rate

SP means the Issue Price

AP1 means the First Year Actual Profit, which shall be deemed to be nil in case of loss

GP1 means the First Year Guaranteed Profit

In the Second Financial Year:

- (a) If the net profit set out in the audited accounts of the Target Group in the Second Financial Year (the “**Second Year Actual Profit**”) is not less than the Second Year Guaranteed Profit, the Purchaser shall procure the Company to allot and issue the Consideration Shares to Vendor I, the number of which shall be calculated according to the following formula:

$$S2 = \frac{(V \times 47\% - CC) \times 0.3 \times E}{SP}$$

where

S2 means the number of Consideration Shares to be issued by the Company in respect of the Second Year Guaranteed Profit

V means the Valuation

CC means the Cash Consideration

E means the Exchange Rate

SP means the Issue Price

- (b) If the Second Year Actual Profit is less than the Second Year Guaranteed Profit, the Purchaser shall procure the Company to allot and issue the Consideration Shares to Vendor I, the number of which shall be calculated according to the following formula:

$$S2 = \frac{(V \times 47\% - CC) \times 0.3 \times E}{SP} \times \frac{AP2}{GP2}$$

where

S2 means the number of Consideration Shares to be issued by the Company in respect of the Second Year Guaranteed Profit

V means the Valuation

CC means the Cash Consideration

E means the Exchange Rate

SP means the Issue Price

AP2 means the Second Year Actual Profit, which shall be deemed to be nil in case of loss

GP2 means the Second Year Guaranteed Profit

In the Third Financial Year:

- (a) If the net profit set out in the audited accounts of the Target Group in the Third Financial Year (the “**Third Year Actual Profit**”) is not less than the Third Year Guaranteed Profit, the Purchaser shall procure the Company to allot and issue the Consideration Shares to Vendor I, the number of which shall be calculated according to the following formula:

$$S3 = \frac{(V \times 47\% - CC) \times 0.3 \times E}{SP}$$

where

S3 means the number of Consideration Shares to be issued by the Company in respect of the Third Year Guaranteed Profit

V means the Valuation

CC means the Cash Consideration

E means the Exchange Rate

SP means the Issue Price

- (b) If the Third Year Actual Profit is less than the Third Year Guaranteed Profit, the Purchaser shall procure the Company to allot and issue the Consideration Shares to Vendor I, the number of which shall be calculated according to the following formula:

$$S3 = \frac{(V \times 47\% - CC) \times 0.3 \times E}{SP} \times \frac{AP3}{GP3}$$

where

S3 means the number of Consideration Shares to be issued by the Company in respect of the Third Year Guaranteed Profit

V means the Valuation

CC means the Cash Consideration

E means the Exchange Rate

SP means the Issue Price

AP3 means the Third Year Actual Profit, which shall be deemed to be nil in case of loss

GP3 means the Third Year Guaranteed Profit

- (c) If the aggregate of the First Year Actual Profit, the Second Year Actual Profit and the Third Year Actual Profit is not less than the aggregate of the First Year Guaranteed Profit, the Second Year Guaranteed Profit and the Third Year Guaranteed Profit i.e. RMB55,000,000, the Purchaser shall procure the Company to allot and issue the Consideration Shares to Vendor I, the number of which shall be calculated in the following formula:

$$SD = \frac{(AP^{\#} \times PE) - CC}{SP} \times E - SA$$

where

SD means the remainder of Consideration Shares to be issued by the Company

AP[#] means the average of the First Year Actual Profit, the Second Year Actual Profit and the Third Year Actual Profit

PE means the expected price to earnings ratio of the Target Group i.e. V/AP[#] (approximately 8.7272 times)

CC means the Cash Consideration

SP means the Issue Price

E means the Exchange Rate

SA means the Consideration Shares already issued

Consideration Shares

The maximum number of Consideration Shares to be issued represents (i) approximately 6.83% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 6.39% of the issued share capital of the Company as enlarged by the allotment and issuance of the maximum number of Consideration Shares.

The Consideration Shares will be allotted and issued at the Issue Price, which represents:

- (a) a premium of approximately 6.38% over the closing price of HK\$1.880 per Share as quoted on the Stock Exchange on the date of the Agreements; and
- (b) a premium of approximately 6.72% over the average closing price of HK\$1.874 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Agreements.

The Consideration Shares to be allotted and issued shall be credited as fully paid and rank *pari passu* with all other Shares in issue in the share capital of the Company. Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Consideration Shares.

The Consideration Shares will be allotted and issued under the General Mandate. The Directors were authorised to allot and issue up to 80,000,000 new Shares pursuant to the General Mandate. Up to the date of this announcement, no Shares have been issued under the General Mandate. Accordingly, the issue of the Consideration Shares is within the limit of the General Mandate and is not subject to approval by the Shareholders.

Conditions precedent

Pursuant to the First Sale and Purchase Agreement, the Acquisition I shall be conditional upon fulfilment of the following conditions precedent (unless being waived):

- (a) the Purchaser, its agent or professional advisers having performed the due diligence review (in relation to legal, accounting, finance, business, operation or any other matters, which in the Purchaser's opinion are important) of each of companies of the Target Group, the results of which being satisfactory to the Purchaser;
- (b) Vendor I, the Target Company or its agent having provided the valuation report of the Weitu Group to the Purchaser and the valuation of the Weitu Group stated therein being not less than RMB160,000,000;
- (c) the Reorganisation having been completed by the Target Group;
- (d) the Listing Committee having granted the approval for the listing of, and the permission to deal in, the Consideration Shares, the number of which shall be the maximum number required to be issued;
- (e) all conditions precedent for Acquisition II in the Second Sale and Purchase Agreement (excluding the condition precedent relating to the fulfilment or waiver of all conditions precedent in the First Sale and Purchase Agreement) having been satisfied or waived;
- (f) the Purchaser having obtained all necessary permissions and approvals relating to the First Sale and Purchase Agreement and transactions contemplated thereunder, and completed relevant registration procedures (if necessary) in accordance with all applicable laws and regulations; and

- (g) upon Completion I, the representations, warranties and undertakings by Vendor I under the First Sale and Purchase Agreement remaining true, accurate, complete and not misleading or having been violated, and there having been no event or situations leading to any material adverse changes.

The Purchaser may from time to time waive the above conditions precedent in writing (except for (d) and (f)). If any of the above conditions precedent cannot be fulfilled or waived by the Long Stop Date or such later date as the Purchaser, Vendor I and the Target Company may agree in writing, and without affecting the liabilities of any party to another party to the First Sale and Purchase Agreement for any antecedent breach of any terms thereof, the First Sale and Purchase Agreement and any matters contained therein and the rights and obligations of the parties thereto shall be of no effect from the date following the Long Stop Date. Under this circumstance, Vendor I shall forthwith refund the Deposit I in full to the Purchaser.

Completion

The Completion I shall take place on the fifth (5th) Business Day after fulfillment or waiver of all the conditions precedent set out in the First Sale and Purchase Agreement or such later date as the parties thereto may otherwise agree in writing.

Upon Completion I and Completion II, which shall take place simultaneously, the Target Company will become an indirect non-wholly owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the Company's consolidated financial statements.

The Second Sale and Purchase Agreement

Date: 13 September 2018 (after trading hours)

Parties:

- (i) the Purchaser;
- (ii) Vendor II;
- (iii) the Target Company;
- (iv) Weitu Technology;
- (v) Yunwei Network;
- (vi) Hunan Yingding;
- (vii) Fangyu Yunwei; and
- (viii) Mr. Qu.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, Vendor II, the Target Company, Weitu Technology, Yunwei Network, Hunan Yingding, Fangyu Yunwei, Mr. Qu and their respective ultimate beneficial owners (if applicable) are third parties independent of the Company and their respective connected persons.

Assets to be acquired

Pursuant to the Second Sale and Purchase Agreement, Vendor II has conditionally agreed to, sell to the Purchaser, and the Purchaser has conditionally agreed to acquire from Vendor II the Sale Shares II, free from any encumbrances and together with all rights attached thereto on or after the Completion Date II, including but not limited to the dividends announced, made or paid on or after the Completion Date II.

The Target Group is undergoing Reorganisation to facilitate the Acquisitions. Completion of the Reorganisation is one of the conditions precedent to each of the Acquisitions. Upon completion of the Reorganisation, the Target Group will be owned as to 95.2679% by Vendor I and 4.7321% by Vendor II.

Consideration

The Consideration II is RMB7,571,360 (equivalent to approximately HK\$8,676,021), which shall be paid and settled in the following manner:

- (d) within five (5) Business Days after signing of the Second Sale and Purchase Agreement, the Purchaser shall pay a refundable deposit of RMB3,500,000 (equivalent to approximately HK\$4,010,650) (the “**Deposit II**”) to Vendor II, which will be part of the Consideration II upon Completion II; and
- (e) the remaining cash consideration of RMB4,071,360 (equivalent to approximately HK\$4,665,371) shall be paid within five (5) Business Days upon Completion II.

The Consideration II has been arrived at after arm's length negotiations between the Purchaser and Vendor II on normal commercial terms after taking into account, among other things, (i) the potential business prospects of the Target Group; and (ii) the valuation in the draft valuation report of the entire equity interests of the Target Group of RMB169,699,774 as at 31 July 2018 prepared by an independent valuer.

The Consideration II will be financed by internal resources of the Group.

The Directors consider that Consideration II is on normal commercial terms, and fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Conditions precedent

Pursuant to the Second Sale and Purchase Agreement, the Acquisition II shall be conditional upon fulfilment of the following conditions precedent (unless being waived):

- (a) the Purchaser, its agent or professional advisers having performed the due diligence review (in relation to legal, accounting, finance, business, operation or any other matters, which in the Purchaser's opinion are important) of each of companies of the Target Group, the results of which being satisfactory to the Purchaser;
- (b) Vendor II, the Target Company or its agent having provided the valuation report of the Weitu Group to the Purchaser and the valuation of the Weitu Group stated therein being not less than RMB160,000,000;
- (c) the Reorganisation having been completed by the Target Group;
- (d) all conditions precedent for Acquisition I in the First Sale and Purchase Agreement (excluding the condition precedent relating to the fulfilment or waiver of all conditions precedent in the Second Sale and Purchase Agreement) having been satisfied or waived;
- (e) the Purchaser having obtained all necessary permissions and approvals relating to the Second Sale and Purchase Agreement and transactions contemplated thereunder, and completed relevant registration procedures (if necessary) in accordance with all applicable laws and regulations; and
- (f) upon Completion II, the representations, warranties and undertakings by Vendor II under the Second Sale and Purchase Agreement remaining true, accurate, complete and not misleading or having been violated, and there having been no event or situations leading to any material adverse changes.

The Purchaser may from time to time waive the above conditions precedent in writing (except for condition (e)). If any of the above conditions precedent cannot be fulfilled or waived by the Long Stop Date or such later date as the Purchaser, the Vendor II and the Target Company may agree in writing, and without affecting the liabilities of any party to another party to the Second Sale and Purchase Agreement for any antecedent breach of any terms thereof, the Second Sale and Purchase Agreement and any matters contained therein and the rights and obligations of the parties thereto shall be of no further effect from the date following the Long Stop Date. Under this circumstance, Vendor II shall forthwith refund the Deposit II in full to the Purchaser.

Completion

The Completion II shall take place on the fifth (5th) Business Day after fulfillment or waiver of all the conditions precedent set out in the Second Sale and Purchase Agreement or such later date as the parties thereto may otherwise agree in writing.

Upon Completion I and Completion II, which shall take place simultaneously, the Target Company will become an indirect non-wholly owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the Company's consolidated financial statements.

Shareholders Agreement

The Company shall enter into a shareholders' agreement with Mr. Ke to govern the operation and management of the Target Group.

INFORMATION ON VENDOR I AND VENDOR II

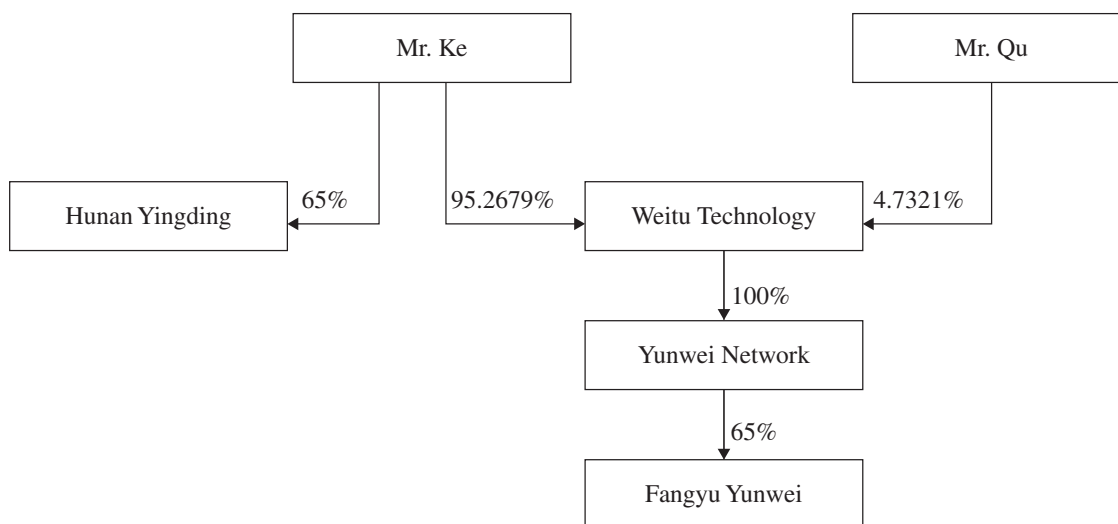
Vendor I is an investment holding company incorporated in the BVI with limited liability, which is wholly-owned by Mr. Ke.

Vendor II is an investment holding company incorporated in the BVI with limited liability, which is wholly-owned by Mr. Qu.

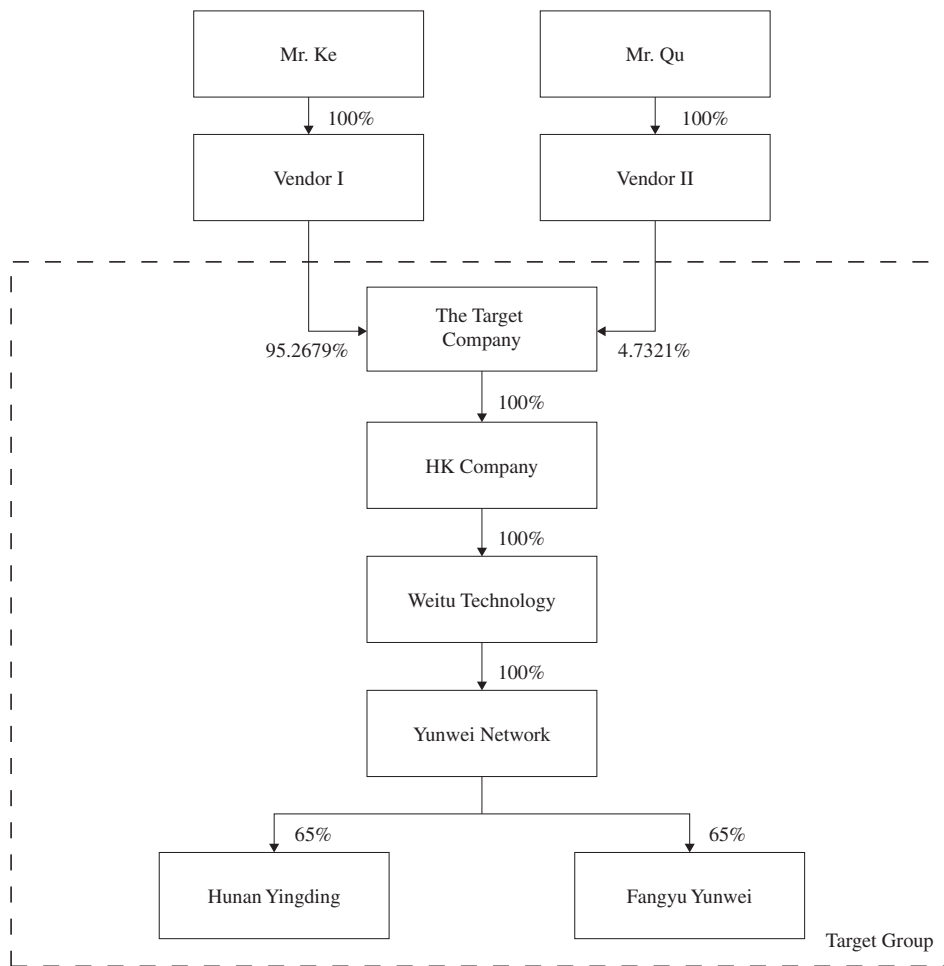
INFORMATION ON THE TARGET GROUP

The following diagram illustrates the shareholding structures of the Target Group (i) as at the date of this announcement; (ii) immediately after the Reorganisation but prior to the Completions; and (iii) immediately after the Completions:

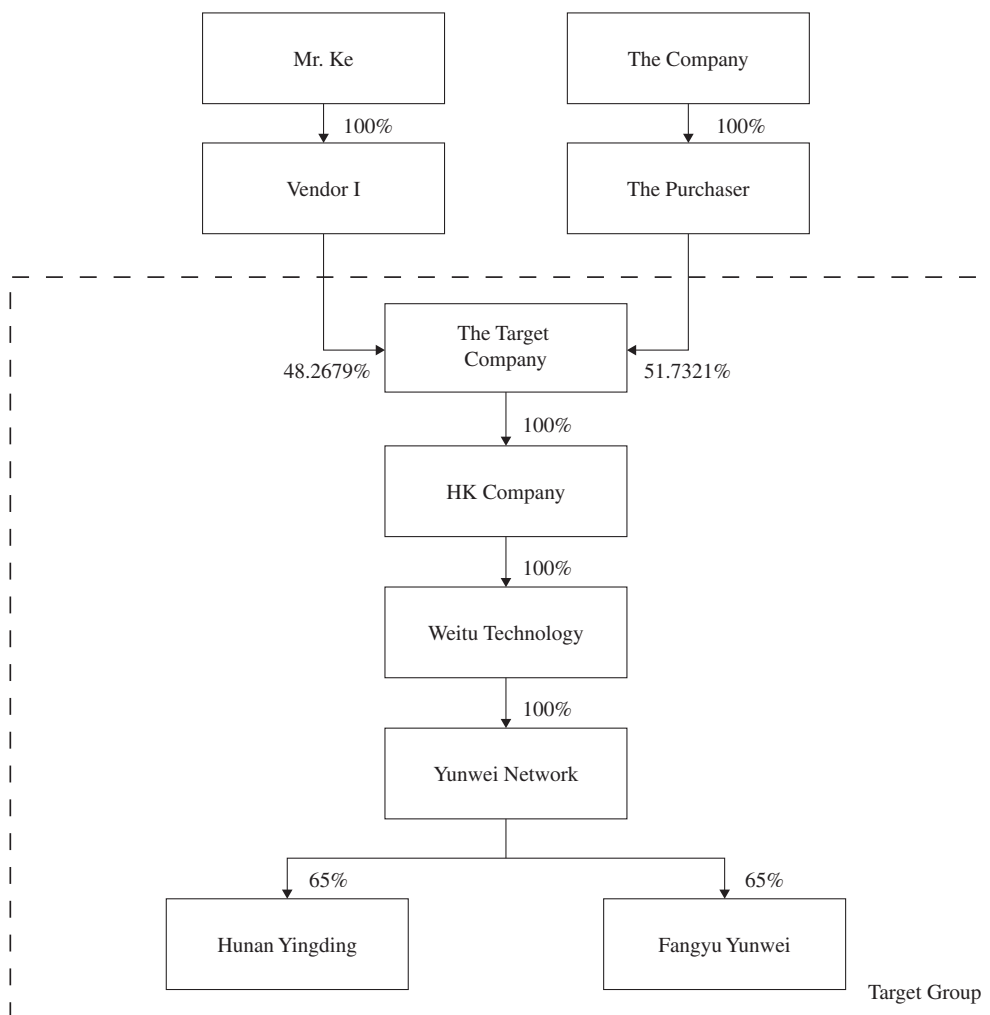
(i) as at the date of this announcement



(ii) immediately after the Reorganisation but prior to the Completions



(iii) immediately after the Completions



The Target Company

The Target Company is an investment holding company. Pursuant to the Reorganisation and prior to the Completions, HK Company will be directly wholly-owned by the Target Company and four companies established in the PRC, namely Weitu Technology, Yunwei Network, Hunan Yingding and Fangyu Yunwei, will be indirectly owned as to 100%, 100%, 65% and 65% respectively by the Target Company.

The HK Company

The HK Company will be incorporated pursuant to the Reorganisation. It will be an investment holding company and directly own the entire equity interest in Weitu Technology.

Weitu Group

Weitu Technology & Yunwei Network

Weitu Technology and Yunwei Network are both companies established in the PRC with limited liability. They are national high-tech enterprises specialising in providing cloud services and integrated solutions for urban public service administration Software-as-a-Service (“SaaS”).

With over 10 years of accumulation of technology and experience in software system construction and service for urban public service administration, they are fully devoted to the design, research and development, sales, implementation and operation of cloud services and integrated solutions for urban public service administration SaaS.

Their products and services cover over 26 subfields in urban public service administration, including but not limited to urban water supply and drainage, electric power, telecommunication, water conservancy, land, real estate, transportation, public security, urban management, fuel gas, rail transit, industrial park, estate management, environmental protection and hospital, providing users with high-quality and professional full life circle cloud services and integrated solutions for industry management SaaS. They also have intellectual property rights for 4 registered trademarks and more than 50 registered computer software copyrights.

Hunan Yingding

Hunan Yingding is a company established in the PRC with limited liability. Its approved scope of business covers, amongst others, research and development of network technology, integration and construction of location-based information system, geographic information system engineering, software technology transfer, software technology services, data processing and storage services and retail sale of communication equipment and electronic products.

Fangyu Yunwei

Fangyu Yunwei is a company established in the PRC with limited liability. Its approved scope of business covers, amongst others, technology development, technical services, technology consulting and technology transfer in the field of Internet of Things technology, processing, wholesale and retail of identification and industrial automation equipment, wholesale and retail of computer, software and auxiliary equipment (except computer information system security products) and communication equipment (except satellite TV broadcasting ground receiving equipment) and development of computer software.

Financial information of the Weitu Group

Set out below is the summary of the financial figures of the Weitu Group and members of the Weitu Group extracted from their respective audited or unaudited financial statements:

	<u>Weitu Group</u>	<u>Weitu Technology</u>	<u>Yunwei Network</u>	<u>Hunan Yingding</u>	<u>Fangyu Yunwei</u>	
	For the year ended 31 March 2018	For the year ended 31 December 2016	For the year ended 31 December 2017	For the year ended 31 December 2016	For the year ended 31 December 2017	From 27 June 2017 to 31 December 2017
	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>	<i>Unaudited</i>	<i>Unaudited</i>
	<i>Approx.</i>	<i>Approx.</i>	<i>Approx.</i>	<i>Approx.</i>	<i>Approx.</i>	<i>Approx.</i>
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Profit/(loss) before taxation	(3,046,181)	(463,099)	1,506,397	(3,267,513)	(3,862,821)	(143,296)
Profit/(loss) after taxation	(3,046,181)	(463,099)	1,506,397	(3,267,513)	(3,862,821)	(143,296)
	As at 31 March 2018	As at 31 December 2016	As at 31 December 2017	As at 31 December 2016	As at 31 December 2017	As at 31 December 2017
Net assets/(liabilities)	3,623,485	2,662,214	4,168,611	732,487	(2,290,810)	(143,296)

Note: Fangyu Yunwei is established on 27 June 2017.

Financial information of the Target Company and the HK Company

The Target Company is an investment holding company. It is established on 4 July 2018, as at the date of this announcement, the Target Company does not have any operations.

As at the date of this announcement, the HK Company has not been incorporated.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The Company is an investment holding company. The principal activities of its subsidiaries are sale of radio frequency identification equipment and electronic products, provision of system maintenance services, development of customised softwares and provision of coordination, management and installation services of smart cities, as well as collection, process and storage of data, text and graphics.

As stated in the latest annual report of the Group for the year ended 31 March 2018, it is currently exploring and identifying investment and acquisition opportunities to establish the strategic partnership with horizontally related powerful enterprises (such as Internet companies) to complement each other, enhance the integration of various resources. The Board considers that the Acquisitions represent a valuable expansion opportunity that creates synergies to the existing business of the Group and creates cross-selling opportunities among various business segments.

The Board expects that the Acquisitions will enable the Group to expand its business portfolio, diversify its income source and possibly enhance its financial performance. In addition to the potential business prospects of the Target Group, the Board regards that the terms of the Acquisitions under the Agreements are on normal commercial terms, fair and reasonable and in the interests of the Group and the Shareholders as a whole.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately following the Completion I and the allotment and issuance of the maximum number of Consideration Shares:

	(i) As at the date of this announcement		(ii) Immediately following the Completion I and the allotment and issuance of the maximum number of Consideration Shares	
	No. of Shares	approx.	No. of Shares	approx.
Shine Well Holdings Limited (<i>Note</i>)	223,220,000	55.80%	223,220,000	52.24%
Vendor I	—	—	27,318,773	6.39%
Other public Shareholders	<u>176,780,000</u>	<u>44.20%</u>	<u>176,780,000</u>	<u>41.37%</u>
Total	<u>400,000,000</u>	<u>100.00%</u>	<u>427,318,773</u>	<u>100.00%</u>

Note: The issued share capital of Shine Well Holdings Limited (“Shine Well”) is wholly and beneficially owned by Mr. Lai Tse Ming (“Mr. Lai”). Mr. Lai is therefore deemed to be interested in the Shares held by Shine Well pursuant to the SFO. Ms. Ho Fung Lin is the spouse of Mr. Lai and thus she is deemed to be interested in the Shares in which Mr. Lai is interested for the purpose of the SFO.

LISTING RULES IMPLICATIONS

As the relevant applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisitions are more than 5% but less than 25%, the Acquisitions in aggregate constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and are therefore subject to the reporting and announcement requirements under the Listing Rules.

As Completions are conditional upon fulfilment (or, if applicable, waiver) of the conditions precedent set out in the Agreements, the Acquisitions may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, capitalised terms used shall have the following meanings:

“Acquisition I”	the acquisition of the Sale Shares I pursuant to the First Sale and Purchase Agreement
“Acquisition II”	the acquisition of the Sale Shares II pursuant to the Second Sale and Purchase Agreement
“Acquisitions”	collectively, Acquisition I and Acquisition II
“Agreements”	collectively, the First Sale and Purchase Agreement and the Second Sale and Purchase Agreement
“Board”	the board of Directors
“Business Day	a day (excluding Saturday, any day on which a tropical cyclone warning no. 8 or above is hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon and any day on which a black rainstorm warning is hoisted before 12:00 noon and is not lowered at or before 12:00 noon) on which licensed banks in Hong Kong or in the PRC are generally open for business
“BVI”	the British Virgin Islands
“Company”	IBO Technology Company Limited, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2708)
“Completion I”	completion of the Acquisition I pursuant to the terms and conditions of the First Sale and Purchase Agreement
“Completion II”	completion of the Acquisition II pursuant to the terms and conditions of the Second Sale and Purchase Agreement
“Completions”	collectively, Completion I and Completion II
“Completion Date I”	the date on which Completion I will take place or such other date as agreed by Vendor I and the Purchaser in writing
“Completion Date II”	the date on which Completion II will take place or such other date as agreed by Vendor II and the Purchaser in writing

“connected person”	has the meaning ascribed to it under the Listing Rules
“Consideration I”	RMB75,200,000 (equivalent to approximately HK\$86,171,680), consideration for the Acquisition I
“Consideration II”	RMB7,571,360 (equivalent to approximately HK\$8,676,021), consideration for the Acquisition II
“Consideration Share(s)”	up to 27,318,773 new Shares to be allotted and issued to Vendor I at the Issue Price under the General Mandate, the number of which shall be adjusted according to the terms of the First Sale and Purchase Agreement
“Director(s)”	the director(s) of the Company
“Fangyu Yunwei”	Jiangxi Fangyu Yunwei Network Technology Co., Ltd.* (江西方宇運維網絡科技有限公司), a company established in the PRC with limited liability
“First Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 13 September 2018 entered into between, amongst others, the Purchaser and Vendor I in respect of the Acquisition I
“General Mandate”	the general mandate which was granted to the Directors pursuant to an ordinary resolution passed at the Company’s annual general meeting on 27 August 2018 to allot and issue up to 80,000,000 Shares, representing 20% of the total number of Shares in issue as at the date of passing such resolution
“Group”	the Company and its subsidiaries
“HK Company”	a company to be incorporated in Hong Kong with limited liability pursuant to the Reorganisation
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hunan Yingding”	Hunan Yingding Network Co., Ltd.* (湖南盈鼎網絡有限公司), a company established in the PRC with limited liability
“Issue Price”	HK\$2.0, being the issue price per Consideration Share
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long Stop Date”	31 March 2019
“Main Board”	Main Board of the Stock Exchange

“Mr. Ke” or “Guarantor”	Mr. Ke Chengwei (柯程煒)
“Mr. Qu”	Mr. Qu Bixuan (瞿筆玄)
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Purchaser”	Upright Joy Limited (正喜有限公司), a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company
“Reorganisation”	the corporate reorganisation of the Target Group
“Sale Shares I”	470,000 ordinary issued shares of the Target Company, representing 47% of the issued share capital of the Target Company
“Sale Shares II”	47,321 ordinary issued shares of the Target Company, representing 4.7321% of the issued share capital of the Target Company
“Second Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 13 September 2018 entered into between, amongst others, the Purchaser and Vendor II in respect of the Acquisition II
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Target Company”	Bright Leap Limited (明躍有限公司), a company incorporated in the BVI with limited liability
“Target Group”	the Target Company and its subsidiaries
“Vendor I”	Wisdom Galore Limited, a company incorporated in the BVI with limited liability, which is wholly-owned by Mr. Ke
“Vendor II”	Thriving Ascend Limited, a company incorporated in the BVI with limited liability, which is wholly-owned by Mr. Qu
“Weitu Group”	collectively, Weitu Technology, Yunwei Network, Hunan Yingding and Fangyu Yunwei

“Weitu Technology”	Shenzhen Weitu Technology Development Co., Ltd.* (深圳市偉圖科技開發有限公司), a company established in the PRC with limited liability
“Yunwei Network”	Shenzhen Yunwei Network Co., Ltd.* (深圳市運維網絡有限公司), a company established in the PRC with limited liability
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

By order of the Board
IBO Technology Company Limited
Lai Tse Ming
Chairman

Hong Kong, 13 September 2018

For the purpose of this announcement, unless otherwise indicated, conversions of RMB into HK\$ is calculated at the approximate exchange rate of RMB1 to HK\$1.1459. This exchange rate is adopted for the purpose of illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rates at all.

As at the date of this announcement, the executive Directors are Mr. Lai Tse Ming, Mr. Gao Weilong, Mr. Teng Feng, Mr. Yu Kin Keung, and Mr. Lyu Huiheng; and the independent non-executive Directors are Dr. He Tianxiang, Dr. Wong Kwok Yan, and Mr. Hung Muk Ming.

* *For identification purposes only*